

The

# CREDIT UNION BRIDGE

THE WAY TO ECONOMIC BETTERMENT

October 20 is International

## Credit Union Day

Share the  
Benefits

*we help each other - join us!*



Official Publication

October, 1955

Credit Union National Association

UNIVERSITY MICROFILMS  
513 N FIRST ST  
ANN ARBOR MICHIGAN

EXCHANGE



Thomas W. Doig  
Managing Director

**HAPPY CREDIT UNION DAY**  
Let us all give thanks on this day for our  
credit union blessings, and rededicate our-  
selves to the service of our fellowmen.  
Greetings and best wishes.

*Thomas W. Doig*

## Resolution Honors Bergengren

The following resolution was presented by Leonard Nixon, president of the CUNA Supply Cooperative, and unanimously adopted by the Joint Bodies.

"WHEREAS, Roy F. Bergengren, as Manager of the Massachusetts Credit Union Association, as Executive Secretary of the Credit Union National Extension Bureau, as Managing Director of the Credit Union National Association and its affiliates, as Managing Director Emeritus of the Credit Union National Association, and as Managing Director of the Vermont Credit Union League, has served with pre-eminent merit and distinction credit unions and their members, and the welfare of people generally, and

WHEREAS, Roy F. Bergengren has in all these positions been an eloquent and moving spokesman of and for the credit union movement, and has in his home, at his office, before great and small assemblies, and in his prolific writings moved countless law makers, government officials, business directors and managers, ministers, teachers, lawyers, editors, and peoples in all walks of life and all degrees of responsibility to a greater appreciation of the abilities of men, individually and united, and to a greater realization of those abilities through strong and progressive credit union action extending world wide, and

WHEREAS, Roy F. Bergengren has given this service and this inspiration unstintingly in spite of great cost to his health and fortune, to the ever-extending benefit of the Credit Union National Association and its affiliates and its member credit union leagues, as well as to all credit unions and their members.

NOW THEREFORE, BE IT RESOLVED, that this Executive Committee of the Credit Union National Association, this Board of Directors of the CUNA Supply Cooperative, and this Board of Directors of the CUNA Mutual Insurance Society, in Joint Meeting assembled at Madison, Wisconsin on the eleventh day of August, 1955, do affirm our boundless respect for Roy F. Bergengren and our boundless appreciation of the service and inspiration he has given people generally and credit union people and the united credit union movement specially.

## The Credit Union Bridge

Volume 20 October, 1955 Number 8  
Official Publication

Credit Union National Association

P. O. Box 431, Madison 1, Wisconsin  
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**We Honor Pioneers of Yesterday  
Who Made Credit Unions Possible Today**



**Friedrich Wilhelm  
RAIFFEISEN**

*who started the credit  
union movement in 1848  
in Germany.*



**Alphonse  
DESJARDINS**

*who organized the first  
credit union in North  
America at Levis, Quebec  
in 1900.*



**Edward A.  
FILENE**

*who did so much to ex-  
pand the credit union  
movement in the United  
States and Canada.*



**Roy F.  
BERGENGREN**

*pioneer credit union lead-  
er and first managing  
director of CUNA.*

**It is Time to Stop and Think on Our International**

# **CREDIT UNION DAY**

**to give thanks for our heritage  
to make plans for a great future**

## **THIS WE CAN BE THANKFUL FOR:**

1. The opportunity to own and operate our own credit unions — 20,000 strong, with over 10,000,000 members, giving us democratic control of our own money —
2. The fact that credit unions last year saved members over \$175,000,000 in interest alone, by conservative estimates.
3. Our accumulated savings of over two billion dollars, which we use to help each other with small loans for good purposes, giving our members more security and peace of mind, and a higher standard of living.
4. The hard work and pioneering done by our credit union forefathers, Raiffeisen, Desjardins, Filene and Bergengren.
5. The good work done by the many hundred thousands of volunteer credit union workers through the years, that built credit unions, leagues, chapters and CUNA into the strong credit union movement we have today.

**NOW, LET'S LOOK TO THE FUTURE →**

**What credit unions have done so far is great and we can be proud of our achievements, but let's take a look at the job we have to do in the future:**

## **THE NEED — RIGHT HERE AT HOME**

1. Population of the United States and Canada combined is over 177,000,000. Credit union membership is 10,000,000. That's less than 6% of the population. So 94% of the people right here in these two countries — where credit union development is greatest — have no credit union service!
2. U.S. consumer credit is now around \$30 billion; of this, less than \$2 billion is in credit union loans. So U.S. credit unions take care of roughly 6-2/3% of consumer credit. In Canada, where consumer credit is relatively newer and growing fast, credit unions still take care of only 16% of consumer credit.
3. Financial problems, mainly poor money management, are a major cause of marital difficulties and broken homes, social agencies report.
4. The vast majority of our children still grow up with no training in school in consumer economics, in managing an income, in meeting family financial problems.
5. Credit unions are still literally unknown and unheard of among whole sections of the population.
6. There is substantial evidence that many credit unions — even the majority — are hampered by restrictive policies, outmoded practices, and lack of information, and do not give their members the kind of good credit union service they need and should have.

## **THE WORLD-WIDE NEED FOR CREDIT UNIONS**

1. The vast majority of the people of the world are poor, do not know how, and have never had an incentive, to practice thrift.
2. The majority of the people of the world must pay outrageously high rates and virtually sign themselves into bondage when they borrow money.
3. Most of the peoples of the world have no democratic control over their money.
4. The majority of the people of the world are anxiously seeking a "way out", a means of raising their standard of living, of getting low-cost credit, and of building their resources through thrift. When they hear about credit unions, they want them, and are willing to work for them.
5. CUNA is the only organization in the world we know of, specifically dedicated to the job of helping people organize and operate good credit unions. Through CUNA's World Extension Department we have the way to share the credit union blessings we enjoy with our brothers throughout the world.

**CREDIT UNION DAY is the time for all of us to renew our efforts, to accept the challenge of the future, and to plan intelligently, to help "build a better world through credit unions."**

# THE CREDIT UNION BRIDGE NEWSLETTER

U. S. Trends in Brief:—Steel operations rose to 95.7% of capacity, the highest rate since June. The Commerce Department reports that imports for the first seven months of the year are up 5% over the same period last year. Home building rebounded after a two month dip; the Labor Department reported work started on 123,000 new housing units. Privately financed new housing begun in August increased 8% over a year ago, and 30% more than begun in any of the three preceding years. Interest rates on commercial paper, representing short term borrowing of corporations, were raised 1/8 percent. Employment reaches 65.5 million in August; unemployment down 250,000 from July, leaving 2½ million. Wholesale volume reports for July down \$400 million from June but \$100 million above last year.

Canadian Trends in Brief:—New housing units started in July were 8% above July 1954 and are up 21% in the first seven months of the year. Department store sales continue to rise (4.5% latest report). Pig iron output up 73%, steel ingot output up 18% for month of August. Crude oil production still climbing as western Canada oil industry grows. Workers are getting more money for fewer hours work. Unemployment dropped sharply in July (140,000). Car makers increased output 15% for the first eight months of the year. Zinc, copper and nickel output and production continue to rise.

Plaque Presented to Mr. Bergengren:—The plaque voted at the August Executive Committee meeting, was presented to Mr. Bergengren on September 11 by Leonard Nixon, CUNA Supply President, for the three organizations. The plaque, designed in gold and silver, read, "This plaque conveys the love, gratitude and esteem of the credit union people to their great leader, Roy F. Bergengren, who made the credit union movement possible. Presented by the Credit Union National Association, CUNA Mutual Insurance Society and CUNA Supply Cooperative on August 11, 1955." See the November issue of The Credit Union Bridge for remarks and pictures.

Good Use for CUNA Yearbook:—The Louisiana League sent the Credit Union Yearbook and covering letter to state and federal legislators, Chambers of Commerce, other public leaders.

Flood Damage:—Rhode Island reports one credit union that suffered flood damage from recent storms, "records under many feet of water and silt." Pennsylvania reports, "no damage to records". See report of damage to Connecticut credit unions on page 7.

John A. Harper, Managing Director of the Arkansas Credit Union League, died Saturday, August 27. Few people have served for so many years as league managing director. John was born in Pine Bluff, Arkansas in 1895. He married Lorena Palmer, was a veteran of World War I and was employed as auditor of the Arkansas Employment Security Division.

You still have time to make CREDIT UNION DAY a big event:—by helping your newspaper reporter get information for a feature credit union story; by working with your radio and TV program director to arrange a program on credit unions; by putting on a credit union party (at a coffee break or a gala evening event) with special acts, bulletins, contests, testimonials, speakers, etc. You may still request a Credit Union Day Kit from CUNA Public Relations, Madison, Wisconsin.

Foreign Response to Magazine Advertising:—During the month of September inquiries were received from Chile, Japan, Venezuela, Switzerland, British Guiana, and Cuba as a result of CUNA advertisements seen there.

A Volume of Publicity:—The Ontario league kept close track of credit union newspaper publicity in the province during the first three months of the year, and reports that during that time, 79 daily and weekly papers published 300 news items, pictures and editorials about credit union activities.

King's X distribution has now increased to 329-16 mm and 5-35 mm films. The latest to purchase the film are Arizona League; Compton District Schools Federal Credit Union, California; St. Columban's, Navan, Ireland and Victoria, Australia; Co-operative Union of Ontario, Toronto, Canada; Pacific Commission, Sydney, N. S. W., Australia (Through CUNA World Extension Department); Indiana Farm Bureau Cooperative Association, Indianapolis, Indiana. There are 25 more films in stock which may be purchased for \$70 each. The Alberta Credit Union League contributed \$100 and the Ontario League \$350 for "King's X" films to be distributed through the National Film Board of Canada.

New Insurance Counselling Brochure:—To give more personalized service to credit union members who apply to CUNA Mutual for the Personal Insurance Counselling Service, a handsome graphically illustrated brochure has been developed. The letter-size folder contains a personal letter to the member, an individually completed sheet for each type of insurance recommended, plus a summary of the entire program worked out for the individual and his family. Each section is in a different color, and purposes of each type of insurance are explained beside the recommendation. The complete portfolio is in a dignified russet-colored cover, personalized with the individual's name in gold.

The FBI reports an upward trend in bank robberies, but a higher rate of convictions, too. Also, during the past 11 months the commitments for embezzlement and fraud have increased 26%, for forgery of government checks—13%, and other classifications in slightly lesser proportions.

New Arizona Credit Union League Managing Director is Don C. Warner of Phoenix. He succeeds F. J. Hathy, who resigned after long part-time service. Warner was assistant treasurer of Water Users' Federal Credit Union, past pres. of Phoenix Chapter and a league director. Arizona is the 34th state and the 46th league to appoint a full-time managing director.

CUNA Staff Totals 236:—CUNA and its affiliates now have 236 employees. Of these 190 work in Filene House, 29 in CUNA House-Maison CUNA: 2 in the Washington Office. CUNA and CUNA Mutual Insurance Society have 15 field representatives; 12 in the United States, 3 in Canada. In addition, CUNA Credit Union, Madison, has 5 employees; CUNA Credit Union, Hamilton, has 2 employees, making a total of 243 people.

Can You Top This:—The CUNA Credit Union at Hamilton, Ontario, received 22 full dime-saving cards during July as a part of its direct mail program to obtain additional capital to meet its loan demand.

Banks are concerned about the rise in withdrawals of savings: for commercial banks it's 92.2% of new deposits, compared to 86.5% last year. This means for every \$100 deposited, the banks paid out \$92.20 in withdrawals. Savings banks did a little better with a withdrawal rate of 82.2%, up 1.1% from last year, according to a survey of American Bankers Association. This survey showed average savings account in commercial banks is \$1,093; average savings account in savings banks was \$1,665. Interest rate paid: Commercial banks now usually pay more than 1½% with 35% reporting a rate of 2% or more. Savings banks interest rates ranged upwards of 2½% with 26% paying 3% on savings.

Loan Repayment Record Good:—Personal loans are at an all time high, but the borrowers are paying up, with delinquencies "remarkably low", reports the American Bankers Association. Personal loan delinquencies throughout the country are just under 1% for June 30 as compared with 1½% last year, including auto loan repayments, which as a class are in better shape than last summer.

# Disaster Area Report

By Leonard R. Nixon

**H**URRICANE CONNIE brought much rain to Connecticut, saturated the ground and raised the streams slightly. When the edge of Diane whipped into the area, from 12 to 14 inches of rain fell in a period of 24 hours and babbling brooks became monsters of destruction. Areas of our state were severely damaged—homes were swept away in the flood, cars were washed away and many persons were drowned. Businesses were wiped out and since Connecticut is a highly industrialized state, many factories were damaged and thousands were thrown out of work.

I have spent most of the week in the disaster area around Waterbury and the scenes of destruction there are appalling. As one rides through the countryside of beautiful Connecticut there is very little evidence of destruction; the trees and grass are still green and lovely and the houses are intact.

Then you come to Waterbury located in the Naugatuck Valley. Part of the city bears no evidence of destruction but as you approach the river area a shocking sight greets your eyes.

Stores and homes are destroyed. Factories are full of mud and dirty water. Railroad tracks lie twisted and roads are washed out. The railroad tracks remind you of the roller coaster at Coney Island. Streets are covered with filth and the sidewalks are piled with broken furniture and household possessions heaped up for collection by trucks to be carted to the dumps, where huge fires burn continuously to destroy the rubbish.

As you go down the river toward Union City the road is washed out, a freight car lies on its side half a mile away from the railroad track, a six-family house blocks one of the streets, having been swept from its foundations. The once green trees are now brown with mud and are filled with clothing and broken lumber. It is a distressing sight.

This city of over 100,000 people is still without gas and drinking water. People living outside the city bring in drinking water in jugs and cans. Office desks have bottles of water on them for drinking purposes, and gas stations have tank-trucks and water bags so that the

public can get a little drinking water. Truly a desolate sight. This picture is repeated in Winsted, Naugatuck, Torrington, Ansonia, Seymour and Putnam, as well as many of the smaller towns.

## What Happened to Credit Unions?

We have about 100 credit unions located in the so-called disaster areas. Many of these credit unions are in industries that were practically destroyed.

For example, A. B. North Plant Federal Credit Union had its office under 9 feet of water. When the waters receded the Cunadex cabinet had tipped over and was covered with silt. This is not clean dirt such as was washed over the land by the tidal wave, but is sticky mud, sewage and all kinds of debris. Yesterday I sat with Madeline Jackson, bookkeeper. They had turned the hose on the records, dried them in an oven and she was trying to reconstruct over 600 individual records in a \$115,000 credit union. She had her chin up, was smiling and was taking the disaster in stride.

Farrel Foundry Plant A had 20 feet of water and mud. Some records were lost and passbooks will all have to be replaced. Two weeks

afterward they are still shoveling muck out of the building and cleaning up the machines so they can get back into production again.

W. F. MacCharles of Swift & Company had to be flown into town by helicopter to open up the plant after the waters receded.

Many of our credit unions had small losses on supplies and equipment. Many records were lost. Old records stored for the most part in basements and warehouses, were destroyed and went to the dump along with the muck and filth. I hope the Federal examiners are not too fussy in looking for obsolete records, because they just aren't there any more.

Some of our credit union folks lost their homes, some their cars and a few their lives, or members of their families. We are trying to have the credit committees cut the red tape and extend a helping hand to those in need. They are all carrying on.

The spirit of the people in the disaster areas has been wonderful. They have their chins up and are determined to come back. They are thankful for the generous response from persons outside the area.

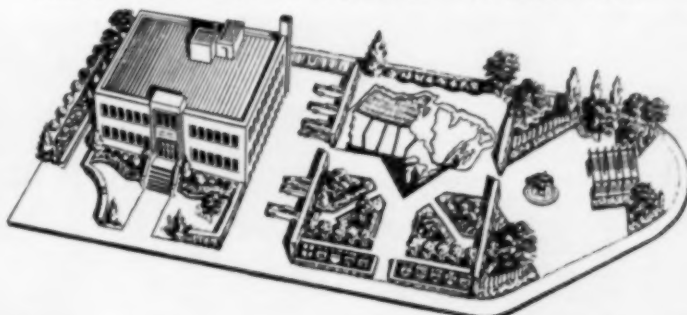
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**Thursday, Oct. 20 is  
CREDIT UNION DAY**

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## Credit Union Gardens - Cuna House

JARDINS DES CREDIT UNION — MAISON CUNA



**CUNA HOUSE** — Maison CUNA is your Canadian credit union home. The picture above will give you some idea of the plans that have been made for one of the most beautiful garden spots in Canada. This garden will be made possible by donations from the credit unions and the two million credit union members of Canada. In a release from the Hamilton & District Credit Union Chapter it was stated that "The objective for the project is \$30,000. Many credit unions are forwarding the equivalent of 10¢ per member."



At the 1955 session of the School for Credit Union Personnel, Madison, Wisconsin  
 Jim Yates, Bill Tenney, Registrar; Prof. Frank Graner, Harry Franck, Annie Dredge, Velma Rowley and Al Jordan.

## Producing Leaders For The Future

Each Summer the School for Credit Union Personnel Trains Leaders For World Wide Service

**N**INETY SIX CREDIT UNION students from the United States, Canada, Hawaii, and Puerto Rico attended the School for Credit Union Personnel at the University of Wisconsin in cooperation with the Credit Union National Association. This summer course consists of two weeks' residence study over a three year period at the University of Wisconsin.

It is interesting to look at the record of the second year class and review what has happened to them during the course of the year. The second year class consisting of 40 returning students, came from many parts and segments of the credit union movement. There are treasurers, office supervisors, league managing directors, office managers, league field representatives, presidents, secretaries, supervisory committee members, and educational directors. Several of the students made job changes during the course of the year and they felt that the information gained at the school was helpful in their advancements. Some of these changes were from league president to league managing director; from credit union treasurer to league field representative; from field representative to educational director; from field representative to managing director; from credit union member to manager of a credit union.

During the course of the year the husband of one of last year's students was employed by a company which had a credit union. The credit union had been floundering for several years and was near liquidation. The enthusiasm which bubbled forth from his wife, upon return from the school, rubbed off and the husband decided to see what he could do to save the credit union. He contacted management, pointed out the need for the credit union, and was given a green light to reorganize. This he did with gusto. Contacting the league managing di-

rector for literature, advice, and guidance, the credit union was saved. The knowledge obtained at the school was used during the course of many evenings which were spent by the student and her husband in revitalizing the life of this very sick credit union, which at last report had more than doubled in assets.

One of the students who was a treasurer in a Canadian Credit Union applied and obtained a field representative position with one of the leagues in the United States. Before he came to the school his



Clarence Murphy, Managing Director of the California C. U. League, lectures to an attentive class on league development and operation.

boss, in the plant where he worked, asked if he was working for the company or the credit union. He came to the school with this question ringing in his ears. After listening to the knowledge put forth in the school and discussing credit unions with full-time employees he was convinced. He returned home and discussed the matter with his wife. She felt the same way he did, to make credit union work his vocation as well as his avocation. His work during the past year has proven to him that the studies presented to him at the school are of universal value and apply to credit unions anywhere.

Another student, a year ago, was a field man for a league and is now the managing director. His reaction to the school was that many of the practices taught were different from those, to a great extent, in his state. The school made him see beyond state lines the part a league is playing in the over-all picture. The classroom activity clarified these ideas and programs. He was taught that his league benefited from what was done by other leagues and credit union people. He found out how rapidly some had progressed, their methods, and he is passing these ideas on to his league. During the course of the year his league board sent him to an adjoining state which had no league, to organize a credit union for people who needed and wanted one.

He said, "I was most impressed with the assignments given us at the end of last year's course. When I first read the assignments they looked like a breeze. As I became involved preparing my papers I found that I referred back to my notes from lectures given the previous year, which were indeed helpful in solving and analyzing the problems which confronted me." He also stated, "I actually found the answers to fit the situations which developed during the last year."

"In Puerto Rico, as elsewhere, credit unions are growing so in size and number that we don't have enough trained workers," Jose Anglada said. Jose Anglada is a supervisory committee member of the Puerto Rican Agricultural Extension Service Credit Union. "This school is the best thing they could do for us," Maria Perez, another Puerto Rican credit union worker pointed out. Both agree that one of the most valuable parts of the course, other than classroom activity, was discussing common problems with other credit union people.

A common comment of the second year students was: "Each of us came with the idea that our credit union was different; but after talk-



*Bill Tenney, Angelita Rodriguez, Rene Luchapelle, Donald Hoffman, Marie Bell, Fred Stahl and Duane Culler.*



*Jose Anglada Roldan, Father D. J. Devine, Priscilla Baker, Prof. W. D. Knight, Joseph Tu and Robert Stucky.*



*Father P. E. Casey, Fred Stahl, Charles Shelton and Father P. J. Richardson.*

ing with one another, we find our credit unions aren't so different from each other after all. In fact, we find we have a lot of problems in common." These summer courses are designed to help meet the growing need for more highly trained people in the credit union movement. The School, which was established last year, accepts only 50 students for enrollment in any one year.

Commenting on the credit union students, Dr. Frank Graner, Director of the Credit Union School and a Professor of Commerce at the University, said, "Their interest in this intensive course is exceptional. This school should develop over the years to something outstanding, and could produce real leadership not only in the credit union movement, but in business, industry and the community."

W. B. Tenney, School Registrar and Assistant Director of CUNA's Organization and Education Department, explained that living in dormitories on the campus enabled the students to get to know each other, to discuss common problems, and to share experiences.

Courses at the School were conducted by business and professional men, the University staff, credit union and league personnel, and the staff of the Credit Union National Association.

In discussing the curriculum of the School with students it was unanimously felt by the second year class that having University personnel as well as credit union personnel giving the lectures and courses, an over all picture of credit union operation and development was set forth. It was the feeling also, that this form of educational media developed a broader view and enabled the credit union personnel and credit union members to more appreciate and develop their credit union structure.

Another interesting highlight is that the students of the second year class organized 17 credit unions during the past year. In general summarization it would seem that through this school the credit union movement will be constantly training and developing the leadership and patterns of operation for the further development and progress of the credit union movement.

### Wit and Wisdom

•• You are only young once, but you can stay immature indefinitely.

## Filene Bust Unveiled at Chicago Merchandise Mart

A SCULPTURED BUST of the late Edward A. Filene, revered founder and benefactor of the credit union movement in the United States, now looks out over the plaza of Chicago's famed Merchandise Mart.

Filene was honored in an unveiling ceremony June 23 when his likeness was added to those of six other prominent merchants belonging to the Merchandise Mart Hall of Fame. The Hall of Fame was established in 1953 as a tribute to those American merchants of the past and present who, in the opinion of a committee of newspapermen, business leaders and educators, have made outstanding contributions to the American system of distribution through merchandising innovations, community or civic leadership, enlightened human relations and financial success.

Significantly, in enumerating Mr. Filene's contributions to society, a spokesman for the Mart mentioned first his work in the credit union movement. The present head of the Boston Department store which Filene founded, H. D. Hodgkinson, declared that Filene will always face the nation, "surviving in the ideas he conceived and the movements he launched."

An audience of several hundred dignitaries and representatives of press and radio witnessed the ceremony. The credit union movement was represented by Robert W. Davis, Public Relations Director of the Illinois Credit Union League.

The monument, cast in bronze four times life size, rests on a tall shaft, and is on permanent public display in front of the Mart.



# Report on Quarterly Meeting of CUNA Administrative Bodies

## CUNA Executive Committee

The following actions were taken during the course of the CUNA Executive Committee meetings:

That management work with the Bureau of Federal Credit Unions on the language of a bill mutually agreed upon by both Bureau and CUNA to accomplish our desire to permit federal credit unions to enjoy the same privileges as state chartered credit unions—in general, to become members of a central credit union and invest in the shares of such central credit union.

That the recommendation of the Management Consultant Committee be accepted and that the firm of McClure, Hadden, and Ortman be engaged to make the survey for a fee of \$6,250.

That an appropriation of \$1,963.50 be authorized to purchase up to 1,190 copies of Dr. Croteau's book; 400 copies to be allocated to the Public Relations Department, the balance to be placed in stock in CUNA Supply for sale.

The Organization and Education Committee reaffirmed their posi-

tion that organization of new credit unions is still a vital phase of our activity and to continue efforts at the national and league level to encourage such organization.

## CUNA Mutual Insurance Society

The CUNA Mutual Board of Directors took the following action:

To name Mr. Bergengren as managing director emeritus of the CUNA Mutual Insurance Society.

To amend Section 2 (d) of Article VIII of the Bylaws of CUNA Mutual Insurance Society:

"In order to be eligible for selection as a voting representative or alternate voting representative, a person must be the holder of an individual policy which has been in force for at least one year, or must be a member of a credit union which has been a policy holder for at least one year, and in addition, he must be a National Director or National Director-elect, or Alternate National Director or Alternate National Director-elect, of Credit Union National Association."

## Magazine Advertising

J. S. DeRamus, Chairman, reported the magazine advertising program in the United States and Canada is creating a lot of interest everywhere. The institutional type ads in our "American Tradition Series" have produced many favorable comments and are doing an outstanding public relations job. Mr. Everett McNear, who is the artist doing this series of ads, is using the "Blockhouse" ad, with our permission, in an artist magazine as his outstanding work this year. This is a compliment to our credit union movement as well as to the J. Walter Thompson Advertising Agency. The endorsement type ads, which are appearing in several magazines, are producing many good and substantial leads. Organization is starting to revive again now that the program is underway. These ads are also building prestige among business leaders over the country. At a recent meeting of the Canadian Parliament, where the question of garnishment loans was being discussed in an 18 page report of the discussion and debate, credit unions were mentioned 121 times in



THE CUNA EXECUTIVE COMMITTEE

Sitting: Glenn Courtts (Michigan); R. F. Williams, treasurer (British Columbia); M. H. Wideman, president (Maryland); W. O. Knight, secretary (South Dakota); W. G. Lonergan, first vice president (Washington).  
Standing: Thomas W. Deig, managing director; J. A. Moore (Pennsylvania); Henry Claywell (Florida); J. L. Thompson (Manitoba); L. B. Kilburn (Connecticut); H. E. Wingstad (Nebraska).

a very favorable vein. We believe the publicity and advertising campaign had much to do with this feeling. At the February meeting the Committee decided on a basic advertising program with quite a saving under the appropriated budget. The Committee voted in meeting this week to place three ads in each of two newspaper editors' magazines in order to help keep the press aware of the progress and development of the credit union movement. They are, the EDITOR AND PUBLISHER which goes to the city editors of newspapers, and the AMERICAN PRESS for rural editors. The Committee also voted to take two more ads in READER'S DIGEST. The Committee feels that the type of ads placed in READER'S DIGEST is very good and most desirable. This will still

come well within the approved advertising budget.

### CUNA Supply Cooperative

The CUNA Supply Board of Directors voted:

To name Mr. Roy Bergengren as managing director emeritus of CUNA Supply Cooperative.

That CUNA Supply employ the same firm (of Management Consultants) as the Credit Union National Association, to make a survey at the same time they make a survey of the Credit Union National Association.

That a committee be appointed to work with a committee of the NAMD, and the Promotion and Advertising Department, on forms and publicity material which might be developed to supply the needs of credit union people.

61 chapter officials contacted; 35 chapter meetings attended; 756 league officials contacted; 60 league board meetings attended; 55 league annual meetings attended; 1 league executive committee meeting attended; 201 other meetings attended; 8 chapters organized.

In addition to the above, representatives of our staff participated in various conferences and represented us at meetings of many organizations.

The work of our personnel varies in different territories and much progress has been made in South Carolina, Mississippi, Arkansas, New Mexico and Nevada. Mississippi and Arizona recently employed their first full-time managing directors. Many states are employing additional help and rapid progress is being made by the leagues everywhere.

### CUNA Bonding Service

Following is a report of the operation of our bond program with Employers Mutual Liability Insurance Company from January 1, 1951 to June 1, 1955:

Number of Credit Unions bonded through this office.....13,414

Number of credit unions using 100%-576 Program.....6,426

Number of credit unions using 576 Program.....9,577

### CUNA Automobile Insurance Program

The first six months of 1955 showed an increase of 12.9% in premium volume as against a 2.4%

## Managing Director's Report

(Excerpts from the report of Thomas W. Doig)

### School for Credit Union Personnel

The second session of the School for Credit Union Personnel has just concluded. As was true last year, cooperation by the University staff and faculty was excellent and materially increased the value of the School.

There were 96 students in attendance at the 1955 session, 40 of whom were enrolled in the second year course and 56 in the first year course. Again we were fortunate to have four priests from St. Columban's Foreign Mission Society and a student from the St. Meinrad Seminary sit in on the classes.

Comments by the students themselves, as well as their attitude during the course, clearly indicate that the School was equally as successful as it was last year. It was evident that the opportunity to discuss credit union matters during the informal sessions outside the scheduled classes was almost equally as valuable as the formal class periods.

### CUNA in the Field

The following covers activities of our regular and radio field staff members working in cooperation with the leagues in their respective territories. During the period from March 1, 1955 through June 30, 1955, 44 states and 9 provinces re-

ceived the services of our staff. 81 credit unions organized; 82 credit unions affiliated; 67 Loan Protection contracts sold; 73 Life Savings contracts sold; 88 CUNA bonds sold; 401 BRIDGE subscriptions sold; 8 Auto Insurance Programs sold; 1535 credit union organization contacts; 1901 credit union officials contacted; 233 credit union board meetings attended;



### World Extension Department Beneficiary of \$1,000 Insurance

Miss Harriet Szumlinski (center) purchased a \$1,000 Ordinary Life Insurance policy from CUNA Mutual making the CUNA World Extension Department the beneficiary. Miss Szumlinski is employed in the Magazine Advertising Department of the Canadian CUNA Office. Mrs. Vicki Bowes is on the left, and Miss Grace Moller to the right is the CUNA Mutual's Canadian Insurance Counsellor.

decrease for the same period in 1954. We believe that this is even more encouraging due to the fact that there have been sizeable rate reductions in nearly all states in addition to an increased saving in the form of a larger dividend this year.

#### **Chattel Lien Bond Program**

The service of the Chattel Lien Non-filing Bond continues to grow. For the first six months of this year the premium for the United States is \$65,687 with 2,425 credit unions participating and \$1,328 in Canada with 65 credit unions participating.

#### **Group Accident Insurance for Voluntary Directors and Committeemen of Leagues and Credit Unions**

Inquiries about the group accident plan for voluntary directors and committeemen of leagues and credit unions continue to come in slowly. As of this writing, July 28, 1955, we have 342 individuals insured under this plan.

#### **CUNA Advertising and Promotion Service**

Up to July 15 CUNA Advertising and Promotion Service had completed 104 jobs.

*(In recent months this department has been self-supporting).*

#### **Public Relations Department**

##### **Federal Taxation of Credit Unions**

Marion Gregory, along with Hubert Rhodes, met with Marion B. Folsom, Under Secretary of the Treasury, and two aides in his office in the Treasury Department. Mr. Gregory presented our position on the matter of taxation as reported to you at the May meeting. At the close of the meeting Mr. Folsom said that the Treasury Department *would not* make a recommendation on taxation this year.

Mr. Folsom has been appointed as Secretary of Health, Education and Welfare succeeding Mrs. Hobby. We can only assume that the Treasury Department will continue to study the matter of taxation and possibly will make a recommendation to Congress next year on taxation of credit unions, mutual insurance companies, co-ops, etc.

##### **Credit Union Day**

A large measure of our public relations department's time this quarter was spent on preparation of materials for Credit Union Day.

#### **POP Fund**

Total POP Fund subscriptions since last fall are \$20,489.83.

#### **Speaker's Kit**

A speaker's kit has been produced by the Public Relations Department. It consists of classified facts and suggestions put into pocket secretary form.

#### **Regular Services**

We continue, of course, our regular public relations activities, which could well absorb all our time.

#### **World Extension Department**

Since my last report we have received approximately 100 inquiries from 34 different countries and territories. This correspondence has resulted in the organization of at least three credit unions; one in Ireland, one in New Zealand, and one (possibly two) in Guatemala. I think it's fair to assume that additional credit unions have been organized without our knowledge in spite of the fact that we do suggest that our mail contacts keep us informed.

A group of German consumer bankers visited Filene House. In the beginning of May, Mr. Roesli Rahim, Chief of Cooperative Services of the Republic of Indonesia, accompanied by Mr. Abdull Sidik, Commerce Secretary of the Indonesian Embassy in Washington, visited us for two days. Mr. Rahim's major interest seems to be in the credit cooperatives of his country and he is trying to set up an insurance company similar to CUNA Mutual.

Mr. Mohammad Sidik, also from Indonesia, and in charge of the Indonesian fishing industry, was here for the two week Orientation Program, July 13 through 25.

Other visitors have been Father Miranda and Father D'Souza both of India. CUNA World Extension Department is also paying expenses for two students in the School For Credit Union Personnel, Joseph Tu of Vietnam and Gerald Bonaparte of Haiti.

Kish Mohan was employed as our first overseas man to work in India. The employment of Kish was made possible by a \$1,000 contribution from the Illinois Credit Union League. This contribution will pay for his salary during his first year in our employ. A number of credit unions contributed to an expense account of \$500 to be used by Kish

in India and to approximately \$850 to pay Kish's transportation to India.

Joane Naisara from the Fiji Islands returned to his home land on June 26 after three months of study in the United States. Mr. Naisara's fare from Fiji to San Francisco was financed by the Central Credit Union Committee of Fiji Islands. CUNA World Extension Department and a number of leagues and credit unions paid his expenses during his training in the United States. Joane's training and experience here not only will benefit credit unions in Fiji, but will also be helpful in developing credit unions in the Southern Pacific area, for instance, in Samoa.

Without any expense to CUNA World Extension Department we will also have a representative in Nigeria for the next two years. Mr. Thomas Monson, Assistant to the Director of Public Relations at Group Health Mutual of St. Paul, is spending the next two years in Nigeria as an advisor to the Co-operative Department of that country. He is doing this on an exchange basis and is paid by Group Health.

#### **CUNA Mutual Insurance Society**

Your life insurance company continues to serve an ever increasing number of credit unions and their members continent wide. As of May 31, 1955, CUNA Mutual had 42,964 contracts in effect with coverage in force totaling \$2,058,281,455. This is an increase of 2,900 contracts and \$209,000,000 of coverage for the first five months of 1955. Coverage increase for the month of May alone exceeded \$53 million, setting a new all time high for one month's increase in coverage.

#### **CUNA Supply Cooperative**

CUNA Supply Cooperative's Net Sales for the four months March 1, 1955, through June 30, 1955 were \$210,333.48 as compared with \$175,497.83 for the same period last year, an increase of 19.85%.

Net proceeds were \$11,628.12 as compared with \$16,624.87 last year, a decrease of 30.06%. Net proceeds are 5.53% of sales as compared with 9.47% a year ago.

---

**Thursday, Oct. 20 is  
CREDIT UNION DAY**

---



18th Annual Membership Meeting of Motor Wheel Employees Credit Union, Lansing, Michigan.

## Helpful Hints For Your Annual Meeting

### CUNA Supply Offers Special Annual Meeting Help Kit Free of Charge

**M**OST CREDIT UNIONS hold their annual meeting in January. That leaves only three short months to get ready for it. The time to start planning is NOW. When your Board of Directors get together for their monthly meeting during the next few weeks, let them give careful consideration to annual meeting plans.

- Has your general chairman for the annual meeting been appointed?
- Has he in turn selected the chairmen for the various committees?
- Has your meeting theme been worked out?
- Has your program committee made arrangements with the principal speaker to be available, arranged for a showing of King's X?
- Has your entertainment committee secured the artistic talent it would like to engage?
- Has your banquet committee attended to the selection of the menu?
- Has your arrangements committee found a suitable meeting place conveniently accessible to your members and sufficiently large to accommodate the fine turnout of members which you anticipate?

- Has your publicity committee made plans to let your members know about the annual meeting well enough ahead and then later to follow up with one or two timely reminders?

- Has your committee on table decorations met and given some thought of alligning its functions with the general program theme?

- Has your committee on awards decided how to recognize special merit of long-term credit union volunteers?

- Has your committee on prizes considered the cost, type and number of items which it wishes to select as prizes for the 1956 annual meeting of your credit union?

Your CUNA Supply Cooperative will be able to give you better service with your annual meeting needs if your order is placed during October and November than if you wait until December or January when backlogs in production are bound to develop with the seasonal rush. By ordering now you will save yourself and the other members of your annual meeting committees the worry, doubts and uncertainty whether you will be able to obtain your annual meeting supplies in time for the main annual event of your cre-

dit union. Special imprinting of the name of your credit union—so popular because it personalizes an otherwise unfamiliar object—generally requires three weeks' time and if large orders are to be shipped most economically by freight, six weeks should be allowed from the time of placing the order to the anticipated date of delivery.

For the second consecutive year your CUNA Supply Cooperative has prepared an "Annual Meeting Help Kit" which is available free of charge to all credit unions upon request. This free kit contains samples of: (1) Annual meeting literature, including the time-tested pamphlets "Annual Meeting—What It Takes" and "Let's Hold Better Annual Meetings." (2) A copy of the educational leaflet "The Richest Man In Babylon". (3) Annual meeting badges in three colors (white, salmon and yellow) to help the members to get acquainted with each other. (4) Literature describing the popular CUNA savings devices (for illustrations see THE CREDIT UNION BRIDGE, September, 1955, p. 22): (a) the post-card-size dime saver folder which will hold 30 ten-cent coins and has space (1½" x 3") for imprinting the name and address of the credit union. Decorative, though practical,

this handsome folder conveniently fits into a woman's pocket book or a man's inner suitcoat pocket. It has been used very effectively as a place card at annual meeting banquets with the member's name hand lettered in the white rectangle next to the "Little Man Under The Umbrella." (b) Coin tubes which will hold fifty dimes and can be imprinted with the credit union's name and slogan. (c) Large coin tubes which will hold all coin sizes including 50c pieces and can be used over and over again because they can be emptied by removing a lid at the bottom. These also have a space for the imprint of the credit union's name and other personalized message. And (d) low-cost coin envelopes which will hold \$5 in dimes. Literature illustrating: (5) Zippo cigarette lighters, bearing the CUNA emblem, can be engraved with the member's name or his signature at very little extra cost. (6) The Quikoin change purse, flat, convenient, attractive and available in four colors is a new-comer on CUNA Supply's list of annual meeting supplies. Allow enough time to have your credit union's name and motto embossed. The Quikoin purse will be a con-



Ames City Employees Credit Union demonstrates progress with charts and posters. Al Jordan, the league managing director, is speaking.

stant and ever-present reminder of your members that your credit union stands ready to serve them. (7) The inexpensive auto bumper sticker is a much welcomed annual meeting prize. (Items 5, 6 and 7 are illustrated in The Credit Union Bridge, September 1955, p. 22.) (8) A simple yet dignified certificate of merit will be an impressive token of appreciation presented at a special award ceremony. Each certificate is delivered with its own gleaming-white booklet envelope.

(9) Several pages of special annual meeting novelties including such items as wallets, combs, purses and combination notebooks suitable for small favors. (10) Annual meeting folder covers and backs, program covers and inserts. (11) Descriptive material on annual meeting charts, an invaluable aid for those responsible for preparing the annual report on the activities, business and progress of the credit union. (12) Five different posters announcing the annual meeting. Cre-



## TRY CUNAPOST with our compliments

# FREE

We are so sure you will like CUNAPOST that we want to send it to you on a money-back basis! We think you will want to keep it, when you see how much work and time it saves you!

CUNAPOST is an easy method of entering passbook, quarterly statement, and journal postings. It speeds up hand posting, increases your accuracy, and keeps all accounts as neatly in agreement as a machine. CUNAPOST is approved for use by federal credit unions—the posting board system designed especially for credit unions!

### mail this coupon NOW!

We will immediately send you a brand-new CUNAPOST board with sample sets of forms. Try it for 30 days with our compliments. If you should decide to return it within this time, your account will be credited with the full purchase price of \$28.95 net.

### CUNA Supply Cooperative

BOX 333, MADISON, WIS.

**CUNA Supply Cooperative**  
BOX 333, MADISON, WISCONSIN

10-55

O.K., we will give CUNAPOST a free trial. Send us a board and sample sets of forms. Put it on our bill, but remember that we can return the writing board anytime within 30 days for full credit!

NAME \_\_\_\_\_

CREDIT UNION \_\_\_\_\_

ADDRESS \_\_\_\_\_

dit unions which have many bulletin boards at their disposal or whose membership is dispersed over a large geographic area may wish to have the name of their credit union imprinted on these posters as well as the location at which the meeting is to be held. (13) Many credit unions like imprinted matchbooks as an inexpensive advertising device. (14) A sample of the multi-colored 1956 pocket calendar card and a calendar card order form are your key to an effective publicity tool. Last year 1,302,400 calendar cards were sold. This year's stock of 1,512,000 pocket calendars was printed in CUNA Supply's own printing plant. An increase of approximately 50% in calendar card sales over the last two years reflects the growing popularity of these pocket calendars. They will be available at no increase in price over last year as long as the present stock lasts. Calendar card orders requesting special imprinting of the

credit union's name, address, office hours or slogan generally require three to four weeks for delivery.

Yes, all of these items are described and illustrated in CUNA Supply's free Annual Meeting Help Kit, brimful with ideas and suggestions.

It's fun to plan an annual meeting. The members of your committees will have more time for thought and preparation if they start early on their program outline and gradually construct a positive basis for a meeting theme. They will enjoy their committee work more if they can do a good and thorough job of preparing for the annual meeting instead of having to do the entire planning in a few days or weeks on a rush-rush basis. By planning carefully and early they will be afforded an opportunity to become better acquainted with credit union ideas and philosophy and will for that reason become better credit union members.

## ORGANIZATION STILL LOW

# 111 New Credit Unions During August

by W. B. Tenney

Assistant Director, Organization and Education



**T**HERE WERE 111 NEW CREDIT UNIONS reported during August, bringing the fiscal year total for the first six months to 1009. The goal for the 1955 drive is 2200, and if we

are to reach that number, we will have to step the organization pace up in the remaining months.

California took over first place for the month with a score of 11. Pennsylvania ranked second with 8. Illinois and Texas tied for third place honors with scores of seven each. There was also a tie for fourth place between Massachusetts and Michigan with scores of six each. There was also competition in the fifth place spot, Ohio and Ontario being tied with a score of 5 each.

Indiana, Iowa, and Quebec lost out in the race for senior membership in the One-or-more-each-month club during August. The following junior members are still working

toward senior membership at the end of next February: Alabama, Arizona, Georgia, Kansas, Louisiana, New Jersey, Oregon, Washington, and Wisconsin.

The senior members of the club (California, Ohio, Texas, Illinois, Michigan, Florida, Missouri, Ontario, Pennsylvania, and New York) each added another month to their string, and we sincerely hope that they will be able to retain that fine record.

The Southern District, again, was the only district that was able to reach or exceed their score for the same month last year during August of 1955.

## Volunteer Organization

The National Director Honor Roll lists only the Directors and Alternates who are non-employees or part-time Managing Directors. There have been a total of 10 credit unions organized by five directors and one alternate.

## Volunteer Organizers Contest

Activity in the 1955 Volunteer Organizers Contest during August

was much improved over the past several months, but still not of the caliber that we would like to see all during the year. To date there have been 34 people who have entered their names in the contest, and 20 of these contestants have reported a total of 20 credit unions so far in the contest.

Remember, it is never too late to get started in the contest, but the sooner you enter your name, the more time you will have to work toward one of the fine prizes.

## Contest Rules

**ENTER THE CONTEST RIGHT NOW—TODAY!** Follow these simple rules:

1—Send a letter or postcard to T. W. Doig, Managing Director, Credit Union National Association, Post Office Box 431, Madison 1, Wisconsin, stating your desire to enter the contest, and listing any credit unions you have organized since March 1, 1955.

2—Soon after the organization of each additional credit union, advise Mr. Doig of that fact by letter or postcard.

3—On or before March 31, 1956, send Mr. Doig a complete list of the credit unions you have organized during the contest period. With your letter of entry, ask for the free Volunteer Organizers Kit.

The contest runs from March 1, 1955 through February 29, 1956. Every contestant who organizes one or more credit unions will receive a gift copy of "Liberal's Progress", the biography of Edward A. Filene, written by Gerald W. Johnson. In the event a contestant has previously been awarded one of these books, he will be given a choice of the following books—"Crusade", by R. F. Bergengren; "The Poor Man's Prayer", by George Boyle; or "Credit for the Millions", by Richard Giles. Contestants who organize five or more, other than the winner of first place, will receive an award of \$50.00. The contestant who organizes the greatest number of credit unions will have a choice between:

1—A check for \$100, or registration fee (value \$130) paid to attend the 1956 two weeks School for Credit Union Personnel at the University of Wisconsin in Madison; or a Lord or Lady Elgin wristwatch suitably engraved.

2—Expenses to attend the CUNA Annual Meeting in Milwaukee, Wisconsin, in May, 1956, or expenses to attend the School for Credit Union Personnel, 1956 session.

In event of a tie for first place, each contestant so tied will receive the No. 1 above, but the contestants so tied will be rated according to the following categories in regard to No. 2: (1) Number of league members among the credit unions organized (2) Number of CUNA Mutual Loan Protection contracts among the credit unions organized (3) Number of CUNA Mutual Life Savings contracts among the credit unions organized (4) Number of CREDIT UNION BRIDGE subscriptions among the credit unions organized. If contestants remain tied all through the above categories, then each would receive the complete award.

## Popularity

Boss: "I suppose you wish I were dead so you could spit on my grave."

Employee: "Not me. I'm not the kind to stand in line."

## Domestic Bliss

"Don't you and your wife ever have a difference of opinion?"  
"Sure, but I don't tell her."

# STATISTICAL REPORT

AS OF AUGUST 31, 1955

## District Standings

District	'55	'54	1955	1954
	Aug.	Aug.	Fiscal	Fiscal
Southern	25	23	230	221
Western	25	23	191	201
Central	17	21	173	183
Eastern	19	23	145	164
Midwestern	4	13	56	91
Northeastern	13	7	84	122
Canadian	10	15	130	173

## League Standings

### SOUTHERN DISTRICT

Henry Claywell, Florida,  
O & E Committee Member

Puerto Rico	6	0	29	3
Texas	7	7	76	58
Georgia	2	0	17	11
Oklahoma	1	1	10	4
Alabama	4	2	18	13
South Carolina	2	0	8	4
Tennessee	4	1	14	14
Arkansas	0	0	2	3
Louisiana	2	6	20	22
Dominican Rep.	0	0	9	11
Kentucky	1	0	7	9
North Carolina	1	1	3	7
Jamaica	0	0	2	7
Mississippi	0	0	2	11
Florida	1	5	13	44
B. S. America	0	0	0	0
Canal Zone	0	0	0	0
Dominica	0	0	0	0

Virgin Islands 0 0 0 0  
Brit. Honduras 0 0 0 0

### WESTERN DISTRICT

W. G. Lonergan, Washington,  
O & E Committee Member

Hawaii	1	0	7	3
Washington	2	2	16	11
Colorado	1	1	15	12
New Mexico	0	2	9	7
Arizona	1	0	13	12
Alaska	0	0	1	1
Idaho	2	0	6	7
Montana	2	1	9	11
Utah	1	3	8	11
Nevada	1	0	3	6
Wyoming	0	0	2	6
California	11	13	91	96
Oregon	1	1	12	18

### CENTRAL DISTRICT

Glenn R. Coultas, Michigan,  
O & E Committee Member

Illinois	7	11	67	61
Michigan	6	9	66	70
Wisconsin	4	1	23	29
Indiana	0	0	17	23

### EASTERN DISTRICT

Joseph A. Moore, Pennsylvania,  
O & E Committee Member

Virginia	0	6	25	18
Ohio	5	4	44	39
W. Virginia	3	0	6	4
Delaware	2	0	3	2
Dist. of Col.	0	3	4	8

Pennsylvania 8 8 41 46  
Maryland 1 1 5 15  
New Jersey 1 1 17 32

### MIDWESTERN DISTRICT

W. O. Knight, Jr., South Dakota,  
O & E Committee Chairman

Nebraska	0	0	3	3
Minnesota	2	4	13	16
Kansas	1	4	12	15
South Dakota	1	2	4	8
Missouri	1	1	17	23
North Dakota	0	1	1	9
Iowa	0	1	6	17

### NORTHEASTERN DISTRICT

L. B. Kilburn, Connecticut,  
O & E Committee Member

Massachusetts	6	2	19	17
Vermont	1	0	3	3
Rhode Island	0	0	3	4
N. Hampshire	0	0	3	4
Connecticut	3	1	16	18
Maine	1	0	5	15
New York	2	4	35	61

### CANADIAN DISTRICT

J. L. Thompson, Manitoba,  
O & E Committee Member

Brit. Columbia	1	3	17	16
Nova Scotia	0	0	2	2
Manitoba	0	0	3	6
Pr. Edw. Island	0	0	0	3
Quebec	0	0	19	23
Saskatchewan	0	4	1	7
Ontario	5	5	75	110

## 1955 National Director

### Honor Roll

Lloyd V. Richmond, Montana	1
James J. Girvan, Pennsylvania	1
John Quinlan, Texas	1
Karl Little, Utah**	3
Myron Steele, Utah (A)	1
Frank Beard, Virginia	3

\*\* Part-time employee  
(A) Alternate director

## 1955 Volunteer

### Organizers Contest

L. P. Davis, Texas	4
Frank Beard, Virginia	3
O. L. Cannon, Texas	3
Clifford Way, Ontario	3
William Cori, Ohio	2
Rene Lachapelle, Quebec	2
James R. Taylor, Montana	2
G. R. Reider, Pennsylvania	1
Mrs. Lillian Bigman, Louisiana	1
O. F. Burgdorf, Texas	1
Ivan Dergouseff, British Columbia	1
R. W. Eckard, Ohio	1
Ernest Glanville, Kansas	1
J. L. Hansknecht, Michigan	1
Edward W. Hickey, Maryland	1
Harry Karel, Michigan	1
Chester Mercer, Illinois	1
Paul L. Moore, Kentucky	1
George W. Scott, Ontario	1
W. C. Wylie, Texas	1

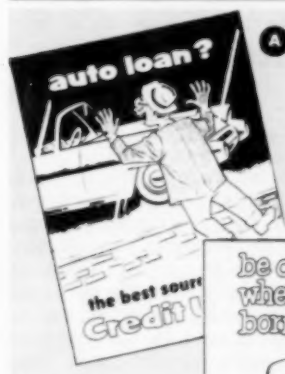
## Credit Union Day Message

SINCERITY IS THE BACKBONE of good human relations. It is essential in building moral strength through understanding and faith both nationally and internationally.

The credit union movement is a great educational institution based on a charter created by sincerity of thought and resulting from a sincere desire to help. The members are a faculty working out the curriculum to guide the citizens of

their respective communities towards a better way of life. In one hundred and five years since the first credit union was formed the movement has proved its sincerity by its constructive achievements.

—St. Louis' Parish Credit Union, Waterloo, Ontario.

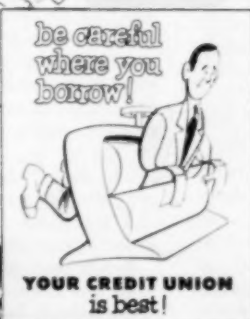


# NOW

## you can order these SPECIAL POSTERS!

Here is the answer to your requests for special posters to back your drives for savings, loans, and membership! They can be used any time they fit your needs. Poster-A-Month topics have to

be general to please everybody. When you want to push hard on a specific service, order these special 3-color stock posters at the same low cost! More posters will be ready soon!



## PRICES:

Only 25c for the first copy of each poster, plus 12½c for each additional copy ordered in the same mailing. Order any quantity

## Your League or Cuna Supply Cooperative

BOX 333, MADISON, WISCONSIN  
BOX 65, HAMILTON, ONTARIO

Send us the quantities indicated for each poster, and bill us later.

A	B	C
NAME _____		
CREDIT UNION _____		
ADDRESS _____		



# Policies of CUNA

(This is the third of a series of articles on CUNA Policies)

## 8. AUDIT AND EXAMINATION

Policy number eight is entitled "Audit and Examination." It reads:

"That all leagues survey all regulations and facilities within their jurisdiction affecting audit and examination of credit union operation and that such audit and examination be strengthened, if required, by legislative enactment or other essential action."

Losses due to defalcations were unsatisfactory when this policy was established by the National Board. In fact all is not well in any credit union that takes soundness for granted. Approximately 600 credit union boards have been shocked into facing their own false assumptions, ignorance, laxness, and misconceptions—during the past five years. Too many other directors have increased temptation and invited losses in their credit union through laxness. Many directors need to become aware—that the cost of audits is not so much an expense as an investment in establishing and maintaining a sound basis for confidence. Credit unions that are careless about audits are hampering growth, membership participation, and denying themselves facts for making sound decisions.

The National Board has gone so far as to say that adequate audits and examinations should be required and obtained even to the extent of changing the law to provide legal requirements. Defalcations are not only a blight on the persons responsible and to the persons who

Twenty-four CUNA policies are currently in effect to guide leagues, credit unions, and the national staff. These policies were established by the National Board (composed of league delegates to CUNA). During emergencies special policies have been established as a guide. When the emergency subsided the policies have been rescinded.

National policies are based on longer, broader, more diversified, and more specialized experience. Their wisdom is constantly being tested by the comparative success with those who choose to deviate.

The question "Why did the National board set this policy," is common. In a series of articles we hope to express some of the reasons for the policies and show how they will contribute to greater success and benefit of credit unions.

take a loss, but to all credit unions. Defalcations are an expense to all credit unions through bond premiums. When defalcations or any loss due to careless operations occur—all credit unions face the questions as to the soundness of credit unions and their separate operations. So with good reason the National Board stresses responsible audits and examinations as a necessary requirement to establish confidence, prevent losses, uncover unsound operations, and to better promote the development of credit unions.

gram recognizes these special driver training courses with a 10% reduction on Bodily Injury and Property Damage premiums, and is gradually extending this reduction to include Collision Coverage as approval by various state Insurance Departments is secured.

Briefly the provision is this: "Satisfactory evidence (Certificate signed by school official) must be presented indicating that every operator under 25 years of age, resident in the same household as the applicant, or employed as a Chauffeur, of the automobile, has successfully completed a driver education course sponsored by a recog-

nized secondary school, college, or university and conducted by Certified Instructors."

The pattern for most Courses now consists of 30 hours for Classroom training, plus an average minimum of six hours per student, of actual driving practice.

Extensive surveys by the American Automobile Association between groups of youthful drivers having had planned drivers' training as against those who did not, show a markedly improved loss and accident record in favor of those who have completed recognized driver training courses.

While reading the most recent report of the National Safety Council about the seven months' highway death and accident toll, I was interested to see it referred to as "a report of the nation's Misguided Missile program". Certainly the statistics appear to bear out the term of "Misguided Missile".

On the basis of these reports it seems only reasonable in view of the importance the automobile assumes in our lives, as well as its tremendous destructive powers, that every effort and incentive be provided to keep the operation of our cars in trained hands and trained minds.

## File House Visitors

### ... Valuable

By Ralph Peterson

VISITORS AT FILE HOUSE (Madison, Wisconsin) are not only welcome, but they contribute ideas and awaken us to misunderstandings. During a discussion recently, it was surprising to note the different ideas a group of visitors had as to who was insured in the event of a joint account under Loan Protection.

The following facts were brought out in a discussion:

The CUNA Mutual contract stipulates that only the member whose name appears first on the loan application is the one who is insured. CUNA Mutual strongly advocates that the breadwinner's name appear first on the application, thereby placing the insurance coverage on his life since in most cases he is the one that should be insured.

In the event a claim is submitted and the account card indicates the account is a joint account, CUNA Mutual's Claim Department will ask for

## Across the desk

by Stanley Harris



ONE BIT OF GOOD NEWS involving youthful drivers (those under 25 years of age) is the recognition now being given in most states to those having completed a recognized Driver Education Course.

The Cuna Auto Insurance Pro-

# Some Notes on Automobile Credit

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FROM: CONSUMER REPORTS, May, 1955.

**C**ARS ON CREDIT are hitting new highs, and some trade sources estimate that as many as 75% of the 1955 models are being sold on the installment basis. (In 1947, only 29% of new cars were sold on installments.)

Here and there in the business press, worries about the car debt crop up. In reply, banks and sales finance companies handling automobile installment paper, assert that: 1) they have tightened up on credit this year; 2) the contracts they hold all show a healthy down payment, and 3) terms have been made tougher—30% down and 30 months to pay for new cars.

Such reassurances of tough credit policies from automobile financing agencies appear to be inconsistent with the continued appearance of no-down-payment advertising. Behind that inconsistency lies an unhealthy twist in consumer credit for autos, called "no-down-payment-financing." Here is how it works, as illustrated by an actual case from the files of a loan company:

Mr. X, who has recently moved into a suburban housing development, must have a car to get to work. Since he owns no car to trade in and has strapped himself to get into the house, he goes to a dealer advertising no-down payment. After he has chosen his car (a 1950 Oldsmobile for which he is grossly overcharged), he is offered two contracts to sign to complete the sale. The first is for a personal loan of \$500, the down payment on the \$995 car which, with sales tax and license plates, costs \$1011.80. The second is a conditional sales contract from a sales finance company to which the dealer sells his installment accounts.

Mr. X is sent with the first contract to the offices of a small loan company to negotiate the loan. The loan company gives him the money, and in exchange takes a chattel mortgage on Mr. X's household goods as well as on the car. Mr. X signs up to make monthly payments on the loan for two years—payments that include interest, of course.

Back on the dealer's lot, Mr. X signs the second contract—a condi-

tional sales contract to cover the rest of what he owes on the car. What he owes the sales finance company is not simply \$1011.80 minus the \$500 down payment, but in addition 1) \$127.95 "time-price differential" or interest; 2) \$125 for insurance; and 3) \$15.30 for credit life insurance—a total amounting to \$780.05. His monthly payments on his car are \$27.96 to the loan company plus \$32.08 to the sales finance company.

At the end of two years, by the spring of 1957, if he makes his payments on time and has no late charges, Mr. X will really and truly own his 1950 Oldsmobile, for which he will have paid out \$1430.05, or \$418.25 more than the \$995 price at which the car was sold to him.

## Repossessions and Deficiency Balances

Most car buyers are not in such a bad spot as Mr. X. New car buyers generally have a car to trade in which will cover part of the down payment. There are some personal loans, however, financing new car sales.

The car dealer, of course, takes the position that it is none of his business where the cash needed to complete the down payment comes from. Actually, however, automobile dealers benefit from the personal-loan down-payment practice, because car repossessions under such terms will not be so likely to result in deficiency balances.

A deficiency balance is the difference between what a defaulting installment buyer still owes on the car when it is repossessed and what the dealer gets for it. As an example, take a recent case brought to a court judgment in a local California court.

In October 1952, Mr. Y bought a new Mercury. Its cash price was \$3369.96. After adding state sales tax and license plate costs, the total cash outlay required for the new Mercury was \$3488.06. He traded in an older car and was credited with \$644.59. The balance owed was \$2843.47 plus the time-price differential of \$512.09, which he agreed to pay over three years at \$93.21 a month. He paid for 15 months and then could no longer meet the pay-

ments. The car was repossessed by the dealer who sold it to him, in the spring of 1953, when used car prices were skidding. The dealer resold the car for \$1825—\$138 less than Mr. Y still owed on it. The dealer asked Mr. Y to make good this \$138, plus \$20 for cleaning up the car and a \$100 commission to the salesman. Mr. Y's deficiency, that is, amounted to \$258. He refused to pay.

The better part of a year passed before Mr. Y heard again about this deficiency, this time from a collection agency. Meantime, the deficiency had grown an additional \$28.71, in interest. He still refused to pay. By the time the court had handed down a judgment against him there had been added to Mr. Y's debt attorney's fees of \$64.57, court costs of \$8 and a sheriff's fee of \$3.78—a total of \$363.44. Thus Mr. Y's Mercury cost him \$2426.18.

Thus, in its widening circle of influence on the economy, the automobile industry reaches not only from the biggest steel company to the smallest gasoline station, but from the biggest financial deals with the biggest banks to the tiniest arteries of credit—the small loan office on every town's Main Street. At the center of this financial maze stands the car buyer who puts his name on contracts, and who all too often pays scant attention to what else is printed or written on those papers he signs.

## Don't Wait

**BUILD YOUR OWN GUARANTEED WAGE PROGRAM... AND RETIREMENT FUND.**

Build your own guaranteed wage program and retirement fund. Don't wait for your employer to sign a guaranteed annual wage contract. Deposit 15¢ out of each hour's pay in your credit union, and at the end of the year you will have \$300. Then should you be unemployed you can draw from your credit union \$30 per week for ten weeks—after two years \$30 per week for 50 weeks in addition to State Unemployment. If the money in the credit union is not used for this purpose it can be used as a retirement fund or any other purpose you desire. Don't wait, start your own Guaranteed Wage Program. The money is always yours. It earns a fair cash dividend plus life insurance with few exceptions. Any questions will be answered at the credit union office.

—Cooperative Center Federal Credit Union, Berkeley, California.

the loan application to determine that the person who died is the one whose name appears first on the loan application.

These persons were glad to receive this information and all agreed they were going to check the applications in their credit union files to see if the member to be insured was the one that signed the application. Your credit union might also find it beneficial to check its loan applications.



A monthly column of ideas, quotes and news from CUNA's Public Relations Department

#### NEW PR HELPS FOR YOU

Have a date to speak to the Lion's Club, your church group or the local high school? Send for

**Speaker's Kit**—a pocket-sized folder of ideas and facts for credit union speakers.

Board meetings bogged down? Maybe effective committees, or more or different committees are what you need. Send for

**POP Bulletin No. 28**—"Building Committees That Work"  
Single copies available from PR Dept., CUNA, Madison, Wisconsin.

#### HAPPY CREDIT UNION DAY!

And don't forget to enter the Credit Union Day Publicity Contest. Two plaques will be awarded: one to the league and one to the chapter that do the best jobs in community publicity for Credit Union Day.

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*Whenever people are short on ideas, they tend to use big words.*

—CLIFTON FADIMAN

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#### CAPTION THAT PICTURE!

A credit union submitted a photo to the paper of a volunteer organizer receiving a Certificate of Merit at a Credit Union Day Dinner, without a caption. The paper titled it, "Award At Credit Group Meet." In a different city, a similar award was made, with photo in the paper. Caption was, "Credit Union Man Honored for Public Service." Which caption did the most to help credit unions? Make it a rule: Write a short, to-the-point caption and attach to every picture you submit to the newspaper.



# The Way I See It

## Even Dollar Deposits?

TO: THE EDITOR

Loan balances in even dollars facilitate interest computation and reduce opportunities for arithmetical errors. Level payments prove easier for most borrowers and are especially helpful to those who remit by mail. Crediting to shares of odd cents left after charging interest eliminates need for a change fund and gradually increases savings.

Regularly scheduled installments somewhat larger than called for in actual notes either result in loans repaid in advance or permit one or two skipped payments without danger of delinquency. All these features are characteristic of Ramapo Valley Co-operative Federal Credit Union of Ridgewood, New Jersey.

If a borrower asks for \$600 and suggests monthly installments of \$50, his note may call for 15 payments of \$40, plus interest, but a notation in his passbook will read \$50 a month. The following table shows what may then happen:

Interest	Loan Installment	Loan Balance	Share Installment
\$ 6.00	\$ 44	\$556	—
5.56	44	512	.44
5.12	44	468	.88
4.68	45	423	.32
4.23	45	* 378	.77
3.78	46	332	.22
3.32	46	286	.68
2.86	47	239	.14
2.39	47	192	.61
1.92	48	144	.08
1.44	48	96	.56
.96	49	47	.04
.47	47	0	2.53
\$42.73	\$600	—	\$7.27

If no installments are missed, this loan will be repaid two months ahead of time and the member will have at least one additional share. If some day the borrower should phone the treasurer to request permission to skip a payment, or even two, he still need not be classed as a delinquent. If, as often happens, he sends only \$47 for the final installment, it is easy to transfer the overlooked interest charge from the growing savings.

The few members who prefer to compute their own interest and re-

mit the exact amount are still at liberty to do so. Others who appreciate the advantages of a more rapidly growing savings account can likewise request that only the \$40 be credited to loan repayment and the larger balance to shares. The majority in this credit union find, however, that level payments, even dollar balances, and elimination of small change are highly convenient. The treasurer is happy to cooperate with whatever scheme best suits the individual.

—A. Duryee Crooks.

## New Interest in a Credit Union

TO: CUNA WORLD EXTENSION DEPARTMENT.

Recently I read an article in the READERS DIGEST (Australian Edition), which was condensed from "THE FREEMAN" January 11th, 1954, about your credit union.

After reading this article, I started to think about how a similar credit union could assist myself and the members of a club to which I belong.

We are in a better financial position than the majority of the people indicated by the article. From this statement you might wonder why I want to start a credit union on the same policy as yours. My idea is to provide cash (at about 1% to cover expenses) for buying furniture, clothes, and finishing payments on homes and cars etc., and thus avoid the higher interest rates charged by the Hire Purchase Companies.

As you have had many years experience now, and most probably compiled a list of rules over this period, I would be obliged if you would forward me a list of these rules so I would have a basis to work on and have something concrete to place before my committee.

—E. Boots, Sydney, Australia

## Discouraged

"Aren't you the fellow who sold me this car a few weeks ago?" inquired a man who stopped at a used car lot.

"I sure am," smiled the salesman.

"Well tell me about it again" said the buyer. "I get so discouraged."



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# *h*ere's how credit unions lick accounting costs and hours

Successful Credit Unions team Burroughs Sensimatic Accounting Machine with a Burroughs Credit Union Accounting System. Here's why:

Let's take a look at Burroughs Sensimatic first. It handles all your accounting jobs . . . posts share and loan ledgers with either passbook or statement . . . automatically calculates and posts paid-in shares . . . automatically computes share months for dividends. What's more, a simple key flick converts your Sensimatic to a convenient adding-subtracting machine for miscellaneous tasks. Sensimatic is so fast and simple that the efficiency of inexperienced operators is quickly improved.

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Detroit 32, Michigan

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Please send me a copy of the booklet "For the First Time—Low-Cost Speed and Efficiency in Credit Union Accounting."

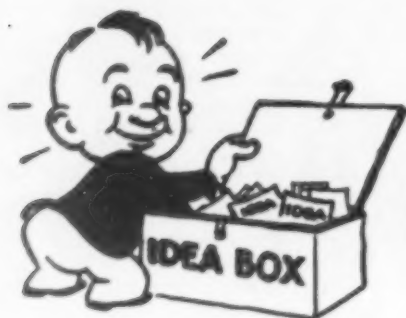
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ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ ZONE \_\_\_\_\_ STATE \_\_\_\_\_

TITLE \_\_\_\_\_

CREDIT UNION \_\_\_\_\_ CU-97



# Idea Exchange

## The Credit Union Bridge suggests:

1. that you mark and use the ideas which attract you.
2. that you adapt them to conversation, pay inserts, circulars, blotters, posters, and house organs.
3. that illustrations be reproduced by tracing, photo-offset, or photo engraving.
4. that each release contains full directions as to where and when credit union service is available.

Please send copies of all your publicity material to The Credit Union Bridge. Your participation in the Idea Exchange is helpful to other credit unions and sincerely appreciated.

## Credit Union Deduction is Painless Way to Build Savings Habit

You've heard about the little boy who put several pennies in his pocket to buy some candy, but when he arrived at the store he reached into his pocket and found nothing but a hole.

We have discovered why our credit union share balance hasn't been increasing as rapidly as expected. Or maybe we have been expecting too much. While many members are building up a nice nest egg for emergencies, quite a few are having numerous "minor emergencies." Some who have been saving for a rainy day seem to be getting caught in quite a few showers.

We have been setting aside \$1,000 each payday to have money readily available for share withdrawals, but it looks like we will have to increase that amount to \$1,500.

One of the main objectives of our credit union is to promote thrifty savings habits. I'd like to pass along an experience of my own, probably similar to that of others. I boosted my payroll deduction, including my last raise, to a point where I thought it would hurt, and it did! But each payday it hurt less, and now it is painless, and I feel better as my balance grows. If you find it necessary to tap your nest egg, why not try increasing your deductions to put it back faster? As we say in the credit union: a buck in the credit union is worth two in the hand.

—Ted K. Larson in THE NORTHLINER

## The Credit Union And You

There is only one excuse for the existence of a credit union, that is to benefit its members by helping them to save money. This does not mean only putting aside so much every week or every payday. It also means saving money on things members buy, either by borrowing through the credit union to buy for cash, or financing the balance of purchases through the credit union at moderate interest rates. Credit union members also enjoy special discounts.

A credit union is not a money-making organization, because it does business only with its members and has no outside stockholders to participate in its earnings. Its capital funds consist wholly and solely of members' deposits.

It makes loans only to its members and whatever it earns from this or any other source, is distributed annually to its members in the form of dividends, after setting aside the mandatory legal reserves.

Common sense would seem to suggest therefore, that credit union members use their organization in every way they can, because in so doing they are contributing to the success of their own business organization. It costs members considerably less to finance through their credit union than anywhere else. Check up and you'll be amazed.  
—TROPICAL TELCO FEDERAL CREDIT UNION, Coral Gables, Florida.

## Loan Calculation

To calculate cost of any loan obtained through this credit union (with equal monthly repayments of principal plus interest at 1% per month on the outstanding balance):

1. Decide how many months the loan is to run, and add one.
2. Divide this total by two.
3. Change result to decimals and divide by 100. (Move decimal two places to left.)
4. Multiply this figure by the amount of your note and the result will be your cost.

—CREDIT UNION NEWS, Tampa, Florida.

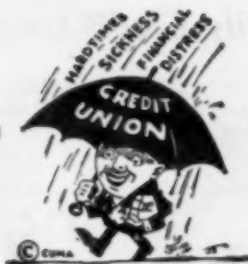
## Greatness in Good Citizenship

DANIEL WEBSTER once said, "Whatever makes a man a good man, makes him a good citizen." It is never hard to think of greatness in terms of heroic deeds, or of rising to dangerous opportunities. But too often men feel no responsibility for greatness in good citizenship.

—80 SQUARE, Peoria, Illinois.

 <p><b>REMEMBER</b></p>	<p><b>THE BOARD OF DIRECTORS HAVE SET THE DATE OF THE NEXT MEETING FOR</b></p> <p><b>AT 7.30 P.M.</b></p> <p><b>IF A CHANGE BECOMES NECESSARY YOU WILL BE ADVISED</b></p> <p>• SECRETARY</p>	 <p><b>Meeting of the Board of Directors WILL BE HELD</b></p> <p><b>IN THE ELGIN BUILDING AT 7.30 P.M.</b></p> <p>• SECRETARY</p>
<p>ONTARIO TELEPHONE EMPLOYEES' CREDIT UNION - 76 ADELAIDE ST. W. - TORONTO</p>		

# FAMILY DIGEST



Volume 20

P. O. Box 431, Madison 1, Wisconsin; P. O. Box 63, Hamilton, Ontario

Number 8

## Expense Facts Help Solve Problems

BUDGETS ARE SILLY if you just make them up out of thin air. The only way to start one is this:

1. Keep a record for three months of the way you spend your money. This, if you stick to it, will probably knock your eyes out.

2. The three months will show you the pattern of your spending: how much you spend a month on food, clothing, shelter, fun money, and savings.

3. Now you can make adjustments. But make only those that will bring you and your family the greatest happiness.

4. Most of us can't change what we have to spend on food and shelter. We might be able to re-do our output for clothing. Experience shows that when your fun money takes more than 10 percent of your income it becomes excessive and needs checking. Make sure fun money buys fun and not worries.

5. Savings often amount to very little. Budgeting built on a record of spending will show up this defect.

6. At least 10 percent of your income should go for the purchase of protection through insurance and savings, and provide a cushion for emergencies besides.

—Contributed by Springfield Sacred Heart Credit Union, Springfield, Illinois.

## No-Cost Refinancing!

There is absolutely no charge to refinancing your present loan with us; interest up to date is our only charge. If you are in need of more cash for any worthy purpose, don't hesitate or shop around, stop in

and talk it over. You will find it is always better to keep your expenses centralized at our low-cost interest rate with full insurance coverage to insurable members. Further, we will return some of the interest you pay, back to you in dividends. DON'T try to find a deal to equal ours, there isn't any.

—Detroit Newspaper Industrial Credit Union, Detroit, Michigan.



## To The Mrs.

CREDIT UNIONS ARE here to serve the whole family. Does your husband tell you about all the services of his credit union? Has he told you about the insurance protection that his credit union carries for the benefit of the members? Do you know that the money he borrows from the credit union will likely be insured against his death or complete disability? Has he told you about the money that can be saved by borrowing from the credit

union? Ask him! Put all those small bills in a one stop payment account. Take the savings in interest and start a savings account for yourself and the rest of the family. Make your plans for the future and let his credit union make you a more thrifty housewife. You, the "business manager" of your fam-

## Thought For Today

STUDY THE UNUSUALLY successful people you know, and you will find them imbued with enthusiasm for their work which is contagious. Not only are they themselves excited about what they are doing, but they also get you excited.

—Paul W. Ivey.

ily, can solve most of your financial problems by using the services of the credit union. Talk these prob-

lems over with him tonight, and see your credit union treasurer tomorrow.

get just the same as the electric bill, water bill, car payment, etc.

The credit union officers had encouraged and assisted him in saving a part of his earnings. They were willing to help solve his financial problems, and the credit union paid him a dividend on his savings. He had learned to go to them with his financial questions, the same as going to the doctor when he is sick, or to the shoe store when he wanted a pair of shoes. Nels told Frank that if he and his wife started on such a plan, their wealth would soon begin to accumulate.

Frank was anxious to tell his wife about Nels and Gloria's plan. They decided they could afford to pay themselves the small sum of \$3 per week and it was to be put in their credit union share account. Strange as it may seem, they were no shorter of funds than before; just as Nels had said. They were paying themselves first.

The credit union has helped Nels and Frank. They have learned that a part of all they earn is theirs to keep. Get in the habit and save regularly. The turning point in your financial affairs will begin when you pay yourself first, and learn to live on the balance. Your credit union officers will be glad to help. Bear this in mind. Your credit union officers are just as concerned about seeing you increase your savings as they are to lend you money. If we had no savings, there would be no money to lend. But aside from that it is a source of pleasure to see your share account grow.

—Miami Postal Service Credit Union News, Miami, Florida.

## Don't Forget Yourself on Payday

It seemed like Frank and his wife were always in debt, and that no matter how hard they tried, they were unable to save any money.

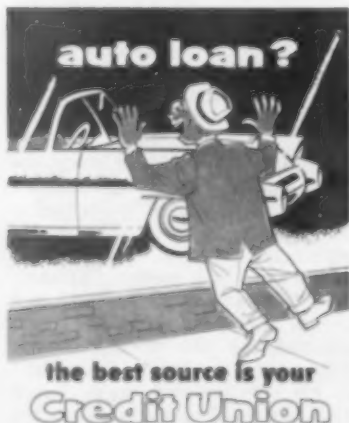
Frank worked in the same shop as Nels and always suspected that Nels or his wife, Gloria had inherited money. One day while Frank was talking to Nels, he said that he wished someone had left him enough money to be on Easy Street. Much to Frank's surprise, Nels told him that neither he nor his wife had inherited any money.

Nels informed Frank that fate brings ruin to almost every man upon whom she showers unearned money. They become foolish spenders, the money is soon gone and then their troubles begin. Nels told Frank that his wealth would grow if he would only exert the energy. He said that no one could fill that desire until he had worked out a plan and was ready to put it into practice. After several more questions, Nels told Frank the following story:

At one time he and his wife were

in the same financial condition as Frank's family, but they started on the road to wealth when they decided that a part of his earnings was theirs to keep. Each payday they put a part of his earnings aside, learned to live on the balance, and strange as it may seem, they were no shorter of funds than before. They could not keep all he earned because he had to pay his taxes, the grocer, household expenses, clothing, payment on home, insurance, and other items just like any family. They had learned that when you save you are paying yourself and since they paid the others for their services they should pay themselves. He and Gloria got in the habit of paying themselves first, and learned to live on the balance. A part of all earned was theirs to keep.

Nels said that he was a member of the credit union and that the first thing he did each pay day was put a part of his earnings in his credit union share account. He took that out first. It was figured in the bud-



CUNA Supply Form SP-2

### Juvenile Delinquency

There's a lot said about juvenile delinquency these days. Once, a delinquent was a person behind in his rent or at the bank. Now, particularly referring to young persons, a delinquent is a young person in trouble with the law or likely to be an offender.

In a credit union which has taught that thrift and responsibility establish good credit, there are no juvenile delinquents, either in the true sense or otherwise.

Young members of PICU have established a fine record for sensible borrowing and diligent repayment.

One lad we know, now 12, started

three years ago with 25 cents and set aside 25 cents weekly thereafter. After a while he obtained a Windsor Star paper route, and now buys \$2 in shares each week. He has a new \$75 bike and \$175 in shares. In 10 more years? You figure it out.

—Revised from: P.I.C.U. POINTS, Printers Industrial Credit Union Ltd., Windsor, Ontario.

### Wit and Wisdom

- Perhaps the quickest way to make a tossed salad is try feeding vegetables to an 18-month-old child. And if you think Job had a lot of patience, you ought to try putting to bed a 3-year-old who isn't tired.
- Footprints in the sands of time were never made by sitting down.

# Friendly Interest May Avert Defalcations

By Arvin C. Hepler

MUST A FAMILY be denied a father, husband, and a happy home because of an error in human judgment which led to misappropriation of credit union funds? All officers, directors, and committeemen of credit unions should constantly be aware of the fact that credit union services must be as available, convenient, and personalized for the credit union's employed personnel, as for any other member. Many unfortunate financial circumstances could be eliminated by an extra friendly word. This will maintain a feeling of freedom for credit union personnel to discuss their financial problems and needs with the credit committee or directors.

Many times credit union employees are so engrossed in giving good service and attention to other members that they overlook their own personal problems. They are suddenly awakened to their own financial problems and then consider them insurmountable. In desperation and because they feel somewhat ashamed about the position in which they suddenly find themselves, they make the mistake of taking what appears to be the quickest and easiest way out of their dilemma. One small mistake leads to another in an attempt to cover the first, until the final result is exposure and downfall. When the story is told every credit union member suffers, especially the family and friends of the principal involved.

What causes an individual to start taking the funds of his friends and fellow members? If it is possible to remove the cause at the source it will never become a malignant growth and will spare homes and families the stigma and heartache which accompanies a defalcation. Credit union operations should be conducted in a manner which will remove as much as possible the inherent temptation connected with handling of large sums of money and valuable records. This temptation can be removed to a large degree through the active participation of directors and committeemen. By eliminating the old "one man theme", by cooperating and working with the credit union's employees, the

possibility of human error will be removed to a great extent. The directors, by constant effort, can make sure that credit union records are being properly maintained and audited. Proper audits cannot be conducted by the filling out of a one-page questionnaire form from information supplied by the individuals whose responsibilities and records are being audited.

Credit union directors and com-

## OUR DEBT

WE OWE a lot to Raiffeisen,  
And Desjardins as well,  
Filene and Bergengren we owe  
Much more than we can tell.

True, sturdy pioneers they were  
Of movements that today  
Bind all of North America  
And grow more everyday.

But we must not forget the rest—  
Our leaders of TODAY  
Who now advise and guide us in  
The Credit Union Way.

We could repay them just a bit  
By doing what we can  
To spread the Credit Union Word  
To our Fellowman.

—Slightly revised from a poem by George Jepson in *The Eye Opener*, Canada Works (Stelco) Credit Union, Ltd.

mitteemen have the opportunity of applying the credit union philosophy and ideals to serving and helping the credit union operating personnel. This friendly interest and atmosphere may be the primary deterrent factor in averting a defalcation.

## Keeping Records

IF YOU CARRY Life Savings insurance we suggest that you pay particular attention to this article. As you know, most credit unions retain their records for only 5 years as recommended by the Federal Bureau. Also if you are familiar with your Life Savings contract you have noted that a member is insured 100% on deposits made prior to age 55, 75% coverage between 55-60, 50% coverage between 60-65, 25% coverage between 65-70, and no coverage after age 70. You can readily see that in years to come it might be necessary for you to produce a record of the member's account.

—From Key Notes, Pennsylvania Credit Union League.

## Portside Ledger

Head Bookkeeper: "Look here. You entered this credit on the debit side."

New Apprentice: "Yes sir. You see I'm left-handed."

## Horticulturist

"MY GARDEN was such a success this year," boasted a gentleman farmer, "that my neighbor's chickens took first prize at the poultry show."

## What Makes a Good Credit Union?

A lot of members and a lot of money doesn't make a good credit union. A credit union with banking ambitions serves little purpose. The commercial lending agencies already available can do a better job. Sure, most members will appreciate it if you save them a buck or two now and then on a financial transaction. It is more important, though, to offer those services that only a credit union can perform. Credit unions deserve most respect when they are engaged in lending to people who cannot borrow elsewhere, when they specialize in bad risks, when they treat hopeless cases hopefully—and tactfully—and when they extend a helping hand to a borrower whose other creditors are ganging up on him. Sometimes a credit union member is heard to say: "I had all but given up when finally I came to the credit union and was given a loan". Others have said: "I never saved a cent until I joined the credit union". When—and only when—you hear such things said about your credit union is it really worthwhile.

—U. S. COURTHOUSE CREDIT UNION NEWS, Nashville, Tennessee.

# What About It?

**Write us about your credit union problem or  
your version of the problems and answers that follow**

## Credit Union Day

What are we aiming at with the present Credit Union Day Program?

ANSWER:

Credit Union Day is intended to be a day of thanksgiving for the credit union privilege and an opportunity for credit unions everywhere to get additional publicity and recognition in their own communities. It is a way to promote thrift. That is why we suggest that credit unions, chapters, and leagues invite the opinion-makers in your community, to be your guest on Credit Union Day. That is why we encourage you to ask governors, mayors, members of parliament, congressmen, prominent church leaders, educators as well as businessmen in the community to be present at your celebration.

The celebration of Credit Union Day and the promotion of it, as an international holiday, is one of the most important public relations services offered credit unions.

## Service Reflects Success

I am a member of a state chartered credit union. We are allowed by law to pay semi-annual dividends. Another dividend period ended June 30. Is the dividend paid necessarily an indication of either success or failure of the credit union?

ANSWER:

No. The dividend paid by the credit union does not necessarily indicate whether that credit union is operating successfully. There are many forms of service that are more important to members than a cash dividend. A credit union is a service organization. Its purpose is to perform services for its members, not to produce a profit. Therefore, its success or failure should be judged by the services it renders its members, rather than by the cash dividend paid. All services are dividends and a few cents in cash may be totally insignificant compared to some other service.

## Loan Eligibility

How long should a person be a member of the credit union before he is eligible for a loan?

ANSWER:

No rule should be made as to when a person should become eligible for a loan. Credit unions may have new people come into their sphere of operation and wish to make some loans immediately. Each case should be judged on its own individual merits.

## CUNA Bonding Department Questions and Answers

*(These are selected and edited questions from letters and meetings, answered by the staff of the CUNA Bonding Department.)*

**Does the 576 Bond cover all acts of directors that would cause a loss to the membership?**

ANSWER:

Neither the 576 nor the Form 23 blanket bond covers any loss resulting directly or indirectly from the act of any director, unless that director is an officer or unless that director is performing acts falling within the scope of the usual duties of an employee.

**Our Treasurer was \$9.60 short in his collections one day last week. How do we present a claim?**

ANSWER:

A letter explaining the loss can be sent to this office or direct to the bonding company. It should be sent in immediately after the loss occurs.

I cannot state positively that a loss of this kind will be paid. I do not believe it was even intended that the bond would cover this type of loss.

If a loss is paid a record will be kept of the person involved in the loss and should similar losses occur in the future the bonding company might cancel the bond on the person involved.

**If a credit committee authorizes an illegal loan that would cause a loss to the credit union, would the loss be covered by the 576 bond, and if so could the bonding company subrogate either the manager of the credit union or the credit committee?**

ANSWER:

Our bond does not cover a loss

caused by an error in judgement on the part of the credit committee.

If the credit committee deliberately made an illegal loan that caused a loss to the credit union, that loss would be covered by either the Form 23 or the Form 576 blanket bond.

If a claim of this kind was paid, the bonding company would have a right to subrogate the members of the committee.

Whether or not the treasurer or manager could be subrogated would depend on how he was involved in the transaction.

## Coming Events

November 4-5-6—California Credit Union League annual meeting, Ambassador Hotel, Los Angeles, California.

November 10—10:00 A.M.: Joint Meeting: CUNA Executive Committee, CUNA Mutual Board, CUNA Supply Board, Palmer House, Chicago, Illinois.

November 10—2:00 P.M.: CUNA Supply Board.

November 11—10:00 A.M.: CUNA Mutual Board.

November 12—9:00 A.M.: CUNA Executive Committee.

November 17-18-19-20—Missouri Credit Union League annual meeting, President Hotel, Kansas City, Missouri.

January 20-21—Manitoba Credit Union League annual meeting, Marlborough Hotel, Winnipeg, Manitoba.

February 11—Maryland Credit Union League annual meeting, Lord Baltimore Hotel, Baltimore, Maryland.

March 1-2-3—Ontario Credit Union League annual meeting, Royal York Hotel, Toronto, Ontario.

March 9-10—Connecticut Credit Union League annual meeting, Hotel Statler, Hartford, Connecticut.

March 9-10—North Dakota Credit Union League annual meeting, Dakota Hotel, Grand Forks, North Dakota.

March 19-20-21—Saskatchewan Credit Union League annual meeting, Bensborough Hotel, Saskatoon, Saskatchewan.

April 6-7—District of Columbia Credit Union League annual meeting, Statler Hotel, Washington, D. C.

April 6-7—Oregon Mutual Credit Union League annual meeting, Tioga Hotel, Coos Bay, Oregon.

April 6-7-8—Louisiana Credit Union League annual meeting, Roosevelt Hotel, New Orleans, Louisiana.

April 6-7-8—Kansas Credit Union League annual meeting, Broadview Hotel, Wichita, Kansas.

April 12-13-14—Pennsylvania Credit Union League annual meeting, William Penn Hotel, Pittsburgh, Pennsylvania.

April 13-14—Illinois Credit Union League annual meeting, Hotel Sherman, Chicago, Illinois.

April 13-14—Colorado Credit Union League annual meeting, Shirley-Savoy Hotel, Denver, Colorado.

April 13-14-15—Hawaii Credit Union League annual meeting, Island of Hawaii, Hilo, Hawaii.

April 13-14-15—Oklahoma Credit Union League annual meeting, Tulsa Hotel, Tulsa, Oklahoma.

April 13-14-15—Iowa Credit Union League annual meeting, Black Hawk Hotel, Davenport, Iowa.

April 20-21—Nebraska Credit Union League annual meeting, Yancey Hotel, Grand Island, Nebraska.

April 20-21—Virginia Credit Union League annual meeting, Hotel Roanoke, Roanoke, Virginia.

April 20-21-22—Ohio Credit Union League annual meeting, Commodore Perry Hotel, Toledo, Ohio.

April 20-21-22—New Jersey Credit Union League annual meeting, Chalfonte-Haddon Hall, Atlantic City, New Jersey.

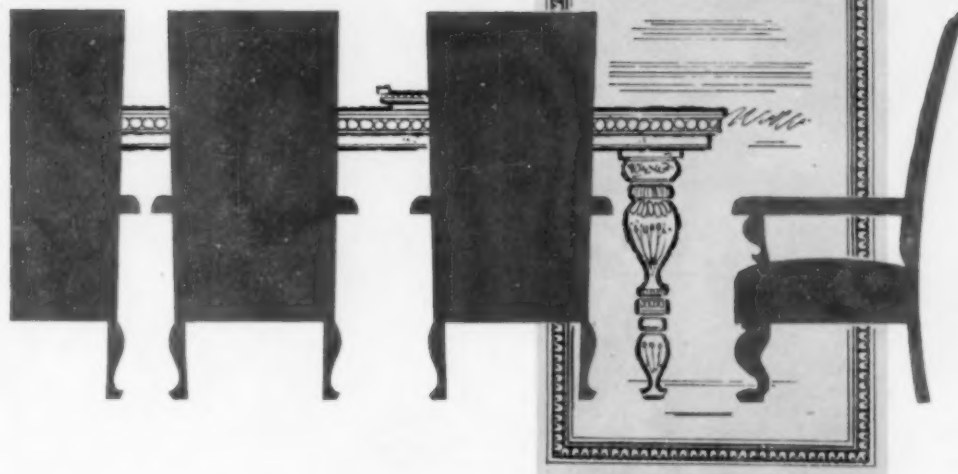
April 26-27—Kentucky Credit Union League annual meeting, Kentucky Hotel, Louisville, Kentucky.

April 26-27-28—Michigan Credit Union League annual meeting, Civic Auditorium, Grand Rapids, Michigan.

April 28—West Virginia Credit Union League annual meeting, Shenandoah Hotel, Martinsburg, West Virginia.

June 9-10—Montana Credit Union League annual meeting, Florence Hotel, Missoula, Montana.

**your officers serve  
you without pay...**



## PROTECT THEM AGAINST ACCIDENTS

If an officer or committee member of your credit union should be killed or injured while on credit union business, what would you do?

You would feel deeply obligated. You would want to make him or his family some sort of repayment.

Now you can protect your volunteer officers and committeemen with a group accident policy. Paying death and major disability benefits of \$6,000, this contract is available to credit unions at a price of \$7.50 a year for each individual covered. (Note: this insurance is not available for the protection of employees covered by workmen's compensation.)

Use the coupon for information and a copy of the contract.

**CUNA**  
AUTO INSURANCE PROGRAM  
underwritten by  
EMPLOYERS MUTUALS  
OF WAUSAU



### CUNA AUTO INSURANCE PROGRAM

BOX 431, MADISON, WISCONSIN

10-55

Send me more information on group accident  
insurance and a copy of the contract.

NAME \_\_\_\_\_

CREDIT UNION \_\_\_\_\_

ADDRESS \_\_\_\_\_



**1** Introduce yourself! Every credit union should have a leaflet explaining what a credit union is. How else is the potential member going to find out how to use the credit union services, what the benefits are, how to go about joining? Even in a smaller group, a leaflet should be used to supplement the personal approach. It's good technique to tell the story orally and then hand your prospect something in print to read later on.

**2** Build habits! Where your members save and borrow is largely a matter of habit. It helps to find methods of encouraging them to come into the credit union office regularly, whether you do it by cashing their checks for them or by giving away free matches. Habit makes the difference between the inactive members who exist only as statistics and the active members who make good use of the credit union.

**3** Reach them at home! Most treasurers agree that the advertising that works best is the advertising that goes into members' homes, where husbands and wives discuss the credit union and include it in their financial plans. No mail should go to your members without including some advertising material. Stuffers and inserts are ideal advertising material for credit unions that mail out quarterly statements. In smaller towns, community credit unions may find newspaper advertising economical. However you do it, make your credit union a husband-and-wife credit union!

**4** Remind them! Most advertising doesn't tell you anything new. Most advertising reminds you of something you already know! That's the purpose of advertising, and it explains why repetition is the basis of advertising. Even your best members may slip away if you don't keep reminding them. For this purpose, posters are frequently effective. Change them often enough so that they don't get monotonous.

**5** Reason with them! People are largely irrational, but this does not mean that they never think. Every now and then, confronted with some new problem, they stop and think things out. Never underestimate their intelligence; never overestimate the amount of information they have. Give them facts. Tell them the rate story. Post our insurance certificates in your office. Do not pressure them. Let them make up their own minds.

**6** Work on your fellow officers! Make sure all officers and committeemen are well informed. These people should be your best boosters. If they are enthusiastic, their enthusiasm will spread.

**7** Stage an annual membership drive! Once a year, every potential member should be asked to join the credit union—in person, if possible. Back this up with posters, leaflets, mail and maybe prizes.

**8** Loan Protection and Life Savings Insurance are two of the best examples of how a credit union serves its members. Many treasurers tell us, "We really started to grow when we took out Loan Protection and Life Savings."

## FREE!

materials to help build your credit union are available from CUNA Mutual. Last month all credit unions were mailed a folder containing samples of booklets, folders and posters—some for the information of officers, some for the education of members. If you didn't get your folder, remind us with this coupon. Also use the coupon to order copies of the membership education material.

Please send us

.....copies of the folder 'Why We Like Our Credit Union. (We have Loan Protection and Life savings ☐ Loan Protection only. ☐)

.....copies of the folder 'It's for You, describing Life Savings Insurance.

.....copies of the Loan Protection poster.

.....copies of the Life Savings poster.

## CUNA Mutual Insurance Society

Madison 1, Wisconsin or Hamilton, Ontario

NAME \_\_\_\_\_

CREDIT UNION \_\_\_\_\_

ADDRESS \_\_\_\_\_

10-55